

So Ordered.

Signed this 11 day of January, 2019.



Margaret Cangilos-Ruiz
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:

CENTERSTONE LINEN SERVICES, LLC,
ATLAS HEALTH CARE LINEN SERVICES CO., LLC,
ALLIANCE LAUNDRY & TEXTILE SERVICE, LLC,
ALLIANCE LAUNDRY AND TEXTILE SERVICE OF
ATLANTA, LLC, and
ALLIANCE LTS WINCHESTER, LLC
*d/b/a Clarus Linen Systems*¹,

Debtors.

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)
) Case Nos.
) 18-31754 (main case)
) 18-31753
) 18-31755
) 18-31756
)
) 18-31757
)
) Chapter 11 Cases
) Jointly Administered
)
)

**INTERIM ORDER AUTHORIZING PAYMENT OF PREPETITION
CLAIMS OF CERTAIN CRITICAL VENDORS**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”),
having moved this Court for the entry of an order, pursuant to sections 105(a), 363, 1107 and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Centerstone Linen Services, LLC d/b/a Clarus Linen Systems (5594) (“Centerstone”); Atlas Health Care Linen Services Co., LLC d/b/a Clarus Linen Systems (2681) (“Atlas”); Alliance Laundry & Textile Service, LLC d/b/a Clarus Linen Systems (8284) (“Alliance”); Alliance Laundry and Textile Service of Atlanta, LLC d/b/a Clarus Linen Systems (4065) (“Atlanta”); and Alliance LTS Winchester, LLC d/b/a Clarus Linen Systems (0892) (“Winchester”).

1108 of title 11 of the United States Code (11 U.S.C. §§ 101 *et seq.*, the “Bankruptcy Code”), authorizing the Debtors to continue prepetition payment arrangements with Standard Textile Co., Inc. (“Standard Textile”) and American Associated Companies, Inc. (“AACO”) as critical vendors and to pay prepetition obligations in connection therewith;

NOW, upon reading and filing the Order Reducing Time for Notice of Hearing to Consider Debtors’ Motion for Order Authorizing Payment of Prepetition Claims of Certain Critical Vendors entered on December 28, 2018, the Debtors’ Motion for Order Authorizing Payment of Prepetition Claims of Certain Critical Vendors dated December 28, 2018 (the “Motion”) and the Declaration of John J. Giardino in Further Support of Debtors’ Motion for Order Authorizing Payment of Prepetition Claims of Certain Critical Vendors dated January 10, 2019 in support of the relief requested; and upon reading and filing the United States Trustee’s Objection to Debtors’ Motion to Pay Prepetition Claims of Certain Critical Vendors dated January 9, 2019 and the Objection to Motion for an Order Authorizing Payment of Prepetition Claims of Certain Critical Vendors dated January 10, 2019 filed on behalf of ACN Companies, LLC (“ACN”) in opposition to the relief requested; and the Court having held a hearing concerning the Motion on January 11, 2019 in Syracuse, New York; and the Debtors having appeared by Bond, Schoeneck & King, PLLC (Stephen A. Donato, Esq. and Camille W. Hill, Esq., of counsel) in support of the relief requested, and the Office of the United States Trustee having appeared by Guy A. Van Baalen, Esq. in opposition to the relief requested; and appearances have been entered on behalf of HSBC Bank USA, National Association by Phillips Lytle LLP (Angela Z. Miller, Esq., of counsel), AACO by Costello, Cooney & Fearon, PLLC (Anthony R. Hanley, Esq., of counsel); ACN by Bousquet Holstein, PLLC (Robert K. Weiler, Esq.); Willingham 1631, LLC by Mary Lannon Fangio Esq.; Wellstar Health Systems, Inc. by

Theodore M. Baum Esq.; and Clean Acquisition Company by Wendy A. Kinsella Esq. and Erika Morabito Esq.; and upon the record of the hearing before the Court; and after due deliberation of the Court and good cause appearing therefor:

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis on the terms set forth herein only.
2. The Debtors are authorized to purchase linen products from Standard Textile and AACO on a cash-in-advance basis, and are authorized to pay Standard Textile and AACO an amount equal to 10% of the price charged to the Debtors for the linen purchased by them between January 11, 2019 and January 17, 2019 in the ordinary course of business.
3. The forgoing payment arrangement shall continue until January 17, 2019.
4. A further hearing on the relief requested in the Motion shall be held at 1:00 p.m. on January 17, 2019 in Syracuse, New York. All opposing arguments to the relief requested are hereby reserved.
5. The Debtors are authorized and empowered to take all actions they determine are necessary to effectuate the relief granted pursuant to this Order.
6. Notwithstanding anything to the contrary in this Order, any payment made or to be made under this Order, and any authorization contained in this Order, shall be subject to the requirements imposed on the Debtors under any order(s) of the Court approving the Debtors' debtor in possession financing facility, use of cash collateral and any budget in connection therewith, as well as any order(s) approving the Debtors' use of its cash management system.
7. The Debtors shall serve a copy of this Order upon (i) the Office of the United States Trustee for the Northern District of New York; (ii) counsel for HSBC Bank; (iii) counsel for Standard Textile; (iv) counsel for AACO; (v) the members of the Official Committee of

Unsecured Creditors and its counsel, if any; (vi) all required governmental agencies, and (vii) those parties filing a notice of appearance and request for service in these Chapter 11 Cases, by CM/ECF upon registered users and upon any other party delineated herein who is not a registered user by depositing the same in first class mail, postage prepaid, not later than the third business day following entry of this Order.

8. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

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